

House Appropriations Committee
Subcommittee on Education and Economic Development
February 8, 2006

Testimony of Dr. Martin Sullivan, Executive Director
Historic St. Mary's City Commission (HSMCC)

Mr. Chairman and members of the Subcommittee, I am Martin Sullivan, executive director of the Historic St. Mary's City Commission. I want to thank each of you for your continuing interest and support for our work in St. Mary's City, including our close partnership with St. Mary's College. Thanks too to your budget analyst, Andrew Grey, whose report on our FY 2007 operating budget request is thoughtful and comprehensive.

The analyst recommends reducing the Governor's proposed funding level for HSMCC by \$50,000. We certainly recognize the challenges that the General Assembly confronts in reconciling the FY 2007 executive budget with your spending affordability guidelines. However, speaking on behalf of Chairman Richard Moe and the Historic St. Mary's City Commission, I respectfully ask that you consider the following concerns.

First, the Commission has experienced sharp reductions in funding and staffing over the past four years that are disproportionate to cuts in other state agencies. Our general fund appropriations declined by 12.5% between 2001 and 2005, while authorized FTE regular positions declined from 44 to 35 and FTE contractual employees from 13 to 8.8.

Despite these limitations, we have, in fact, have achieved increases in both school field trip numbers and general visitation. The staff has also overseen four major state-funded capital projects under the Maryland Heritage Project as well as two capital projects funded through more than \$2.7 million in private and federal grants. In partnership with St. Mary's College, we conducted teacher in-service institutes that were funded by the National Endowment for the Humanities and that enrolled K-12 teachers from 25 states. We have created four major new publications and we offer five credit-granting courses each year to the students of St. Mary's College. We are doing more with less. The Governor's general fund allocation for FY 2007 would only restore HSMCC to its FY 2001 funding level, taking no account of increased costs for goods and services.

Second, Historic St. Mary's City anticipates significant growth in visibility and attendance over the next three years. Four major exhibits will open: the St. John's exhibit and the Print House funded by the General Assembly, and the 1667 Chapel and the Van Sweringen inn funded by non-State donors. In the fall of 2007 the Smithsonian's National Museum of Natural History will open a major exhibit that will be on view in Washington for a full year depicting life in colonial Jamestown and St. Mary's City. This exhibit will be seen by 5 million visitors and it will be the subject of a special TV production by the History Channel. Incidentally, next year also marks the 400th anniversary of the founding of Jamestown. We expect to get an attendance boost from all

the events in Virginia that are aimed at wider awareness and appreciation of the Chesapeake Bay's early history.

Third, you may find it useful to compare Maryland's financial support for Historic St. Mary's City with the Commonwealth of Virginia's support for the Jamestown/Yorktown Foundation. As you know, the proposed General Fund allocation for Historic St. Mary's City in FY 2007 is \$2.22 million. The actual General Fund state budget appropriation by Virginia for Jamestown/Yorktown in FY 2005 was four times larger, \$8.8 million, with an additional \$35 million in state capital construction funds for the Jamestown 400 anniversary. And Jamestown Settlement is not even the actual site of the original Jamestown, unlike the remarkably preserved site of St. Mary's City.

In that context, the \$50,000 proposed by the analyst as a cut to our operating budget - for the place that is Maryland's real Jamestown - may seem shortsighted, especially since we look forward to Maryland's 375th anniversary in 2009, just three years from now. Please give serious consideration to leaving the HSMCC general fund allocation intact.

The analyst's report does raise a compelling concern that I wish to address. He notes that additional capital projects over the coming years will add a burden to annual operating expenses, and asks about our strategies for generating more earned income. That is a real challenge. Our written submission provides details of our strategies in response. I simply want to note that we are indeed very aware of the need to bring in more earned income, as well as more gifts and grants. The capital projects that will come on line in the next five years have been designed to achieve three specific goals:

1. Create more interesting and more unique exhibits that showcase Maryland's distinctive contributions to American ideals of diversity and democracy.
2. Rely more on audio-visual productions, audio tours, interpretive signs, and interactive displays rather than presentations by costumed interpreters.
3. Permit HSMCC to move toward a year-round schedule of operation by becoming less of an outdoor museum (where rain, cold, and extreme heat drive visitors away) and more of a linked series of indoor exhibits in climate-controlled environments. For example, the Maryland Heritage Interpretive Center will quadruple the amount of indoor exhibit space to orient visitors to St. Mary's City. The St. John's exhibit building, where the General Assembly actually met in the 1600s, is another indoor environment only five minutes' walking distance from the Interpretive Center. The State House and the Brick Chapel provide two other indoor environments within a few minutes walk of the Interpretive Center.

We think this is a far better strategy, and a less costly one, than continuing to build additional outdoor exhibits that depend on the full-time presence of paid and costumed interpreters. We also believe it will give visitors a richer and more satisfying experience and will prompt them to make return visits.

Again, thank you very much for the opportunity to speak today. The members and staff of the Historic St. Mary's City Commission deeply appreciate your support and interest.

Historic St. Mary's City Commission

Responses to Comments FY 2007 Legislative Budget Analysis

Maryland House of Delegates
February 8, 2006

1. Research and Preservation: *HSMCC should develop a quality measure for its conservation and databasing of artifacts and comment on efforts to address the 2003 findings of the American Association of Museums Accreditation Report concerning a four- to five-year backlog in archaeological research reports; the need for a museum registrar to oversee documentation and management of collections and a staff conservationist; and the need for more collections storage space.*

We will develop an MFR quality measure for conservation and artifact databasing. For conservation, the measure should reflect the extent to which HSMCC's conservation treatments are prioritized by need (ceramic, bone, and brick/stone artifacts are very stable, while metal and glass artifacts usually require more extensive treatment) and by timeliness. A standard measure for the quality of data sets involves selecting an actual object and using its catalog number to locate it accurately in the database, then reversing the process to select a paper record and then locate the object.

The backlog of research reports has been reduced dramatically. A summary of recently completed reports is attached. The major pending reports are concerned with field work that has only been completed within the last year, such as the pre-construction excavations at the St. John's site.

We intend to use the general fund allocation for FY 2007 to hire a contractual curator who will perform the typical duties of a registrar. HSMCC does need a full-time conservator, but until the Anne Arundel capital project is completed we will not have adequate on-site conservation facilities. The capital program for Anne Arundel will provide ample growth space for storage of collections.

2. Management: *HSMCC should comment on its plans for Foundation fundraising, the projected operating/capital uses of the funds raised, and the relationship between HSMCC and the Foundation in terms of budgeting and planning.*

The top priority of the Historic St. Mary's City Foundation is to complete the fundraising for reconstruction of the Brick Chapel through a mix of private and federal donations. More than \$2.5 million has already been raised. Approximately \$800,000 is required in order to finish the construction project. Gifts and grants beyond that level will be allocated to a restricted endowment that can generate operating revenue for staffing and maintenance of the site.

The Foundation's next priority, in sequence, is to secure up to \$5 million in non-State matching funds for construction and fitting out of the Maryland Heritage Interpretive

Center. Targeted donors include foundations, corporations, individuals, and federal grant programs. The Governor's updated CIP for HSMCC anticipates construction on this facility in FY 2011, but non-State fundraising will begin this year. We hope to apply the non-State donations primarily to exhibits and furnishings for the Interpretive Center. These can be procured at substantially less cost and difficulty by using private funds.

The Foundation also secures grants and gifts for specific educational and community service projects such as Woodland Indian Discovery Day, Maritime Heritage Festival, Maryland Day, and school outreach materials. Donors toward such projects are individuals, foundations, or corporations that typically do not provide "bricks and mortar" grants for capital construction.

Hand-in-hand with fundraising for construction of the Maryland Heritage Interpretive Center will be an ongoing effort by the Foundation to create an endowment that yields annual income to underwrite HSMCC operational expenses such as salaries, repairs, and educational materials.

The president of the Historic St. Mary's City Foundation is an ex-officio member of HSMCC. With the executive director, the foundation president develops annual fundraising goals and budget targets in support of HSMCC's multi-year strategic operating plan. The Foundation does not initiate projects that are independent of the Commission's established priorities.

3. Issues: *HSMCC should comment on whether the general fund increase will enable HSMCC to staff more sites and stay open more days of the week.*

The Governor's proposed general fund increase (actually, a partial restoration of State general fund levels of five years ago) will enable HSMCC to provide interpretive staffing for one more site, the new Print House reconstruction. It is not sufficient to enable us to move from five days to six days a week for public visitation. The interpretive staff works on a standard 40 hour week. To add a day to the schedule would require either the expense of mandatory overtime hours or the hiring of additional staff. Both alternatives are beyond the budget limitations of the proposed funding level for FY 2007.

4. Issues: *HSMCC should comment on how the opening of the proposed capital projects is expected to affect visitation levels, the amount of increased visitation revenue expected, and the overall plan for funding capital project impacts on the operating budget.*

We are likely to see substantially increased visitation during calendar years 2007, 2008, and 2009, because of the combined impact of the newly-opened interpretive sites, spillover from Virginia's 400th anniversary of its founding next year, and the highlighting of Historic St. Mary's City in a major exhibit that will be presented over the span of a full year at the Smithsonian's National Museum of Natural History in 2007 and 2008. That museum on the national mall draws 5 million visitors annually, so we expect the exhibit to give a huge regional boost to public awareness and interest in St. Mary's. Although an

exact forecast is extremely difficult to calculate, we hope to see paid general public visitation at least double between 2006 and 2009, to a new total of at least 20,000.

Three factors will influence visitation revenue: the number of paying general visitors, the price schedule for general admission, and the extent to which increased visitation generates more sales and higher profits in the museum gift shop. HSMCC is actively considering an increase from the current \$7.50 admission fee for adults and \$6 for seniors and students to new levels of \$10 and \$8. The fee schedule has not changed since 1996. If the higher schedule is implemented in 2007, admission revenue could grow by 2009 from the current level of \$65,000 to \$160,000 or more annually. With higher visitation, shop sales also tend to increase. We hope to see net museum shop revenues rise by \$25,000 by 2009.

Completed capital projects impact the operating budget in three ways: staffing levels for interpretation and visitor services; increased costs for utilities; and increased costs for maintenance. Projections of operating budget impacts are included in the capital improvement programs submitted to the Department of Budget and Management, but in recent years the state has not automatically increased general fund allocations to agencies that open new or expanded facilities.

At HSMCC, we foresee a requirement for additional interpretive staff at only three of the new capital project sites between FY 07 and FY 12. The chapel and its exhibit building can be staffed by one paid staff member during public hours, augmented by volunteers and student interns. The same is true for the St. John's site, where the exhibit installation is self-guided and the primary need is for a live body to provide soft security, make sure all the exhibit components are functioning, and respond to visitor queries. The Nuthead print house, which will open this fall, will require a costumed interpreter with sufficient training and skill to demonstrate the operation of the printing press, so that position cannot easily be replaced by volunteers or interns. Funding for that position is included in the proposed allocation of operating funds for FY 07.

The interpretive indoor exhibit center and the replacement for Anne Arundel involve shifting the duty locations of existing personnel, with neutral impact on staffing levels. We are launching a museum studies concentration for students at St. Mary's College that will yield additional student interns and work-study students (hopefully 6-8 per year, on a part-time basis) who can augment the permanent staffing in these facilities.

An additional specialized maintenance position, for a curator of historic structures, will be implemented in FY 2007 under the Governor's proposed general fund increase. HSMCC projects that the completion of the St. John's site and the Maryland Heritage Interpretive Center may add a requirement for one to two additional maintenance positions by FY 2012. Utilities expenditures are difficult to estimate, but there are four climate-controlled facilities in the current CIP: the 4,000 sf St. John's exhibit building, the 15,000 sf Maryland Heritage Interpretive Center; a 1,000 sf Chapel Field exhibit building; and HSMCC's 9,000 sf share of the replacement for Anne Arundel Hall.